DAVID B. STURLESE

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August 26, 2002

COMMISSIONER OF CONSERVATION HONORABLE JAMES H. WELSH 617 NORTH THIRD STREET BATON ROUGE, LA 70802

RE HACKBERRY SAND, RESERVOIR A, SUA, SUB GUM COVE FIELD CAMERON PARISH, LA

Dear Commissioner Welsh,

Application is hereby made on behalf of Palvest, Inc. to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of orders pertaining to the following matters relating to the Hackberry Sand, Reservoir A, in the Gum Cove Field, Cameron Parish, Louisiana.

- 1. To establish rules and regulations and to create two(2) drilling and production Units for the exploration for and production of gas and condensate from the Hackberry Sand, Reservoir A, in the Gum Cove Field, Cameron Parish, Louisiana, said units to be designated HBY RA SUA and HBY RA SUB, as shown on the plat attached hereto made a part hereof.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed units with each tract sharing in unit production on a surface acreage basis of participation.
- 3. To designate a unit operator and a unit well for the units so created.
- 4. To provide that any wells drilled to the Hackberry Sand, Reservoir A, shall be located in accordance with the spacing provisions of Statewide Order No. 29-E.
- 5. To provide that the Commissioner may reclassify the reservoirs by Supplemental Orders without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished by the Commissioner.
- 6. To discuss any other matters that may be pertinent to this application.

The Hackberry Sand, in the Gum Cove Field, is hereby defined that gas and condensate bearing sands encountered between the depths of 12634' and 12714' electric log measured depths in the Manti Operating Co. – Odom No. 1 well, located in Section 13, Township 12 South, Range 12 West, Cameron Parish, Louisiana.

The pre-application conference was held as scheduled on August 26, 2002. David Sturlese, who discussed the basis for the applicant's unit, opened the conference. Under Rule No. 8 & 10 Mr., Joe Adams representing Samuel Gary, Jr., & Associates presented two (2) geographical units containing 385 acres each north of the Palvest, Inc., units, Mr., Bobby Duplantis representing Neumin Production Company presented a 360 acre geographical unit that differed on the southern and northern boundary. Mr. Jim Hardwick, representing the Collingwood Family presented a plan containing 395 acres that extended the Samuel Gary proposed unit to the north. Mr. Holmes Smart, representing the Grey Estate presented a plan with a 395 acre unit extending the Samuel Gary Units to the west. Opposition is expected at the hearing.

All pertinent data relating to the subject application can be obtained <u>AT THE COST OF THE REQUESTING PARTY</u>, from David Sturlese, P. O. Box 51405, Lafayette, LA 70505, (337) 232-1700.

There are attached hereto and made a part hereof, a plat outlining the proposed units. Pursuant to the Revised Rules of Procedure, a list of the names and addresses of the Interested Owners, Interested Parties and Represented Parties to whom this application is being sent is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy. A diligent effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties as required by the Revised Rules of Procedure. Also enclosed is our check made payable to the Office of Conservation, representing the required hearing application fee.

Sincerely,

DAVID B. STURLESE

Enclosures

DBS/sss

cc:

Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road
Brandywine III Suite 220
Lafayette, LA 70508-4284
Interest Parties, Interested Owners and Represented Parties